



A study on customer preference and various services provided by private bank in Ahmedabad city

Dr. Viral Bhatt
Ph.D Guide, Principal
SAL Institute of Management
Ahmedabad, Gujarat, (India)

Poonam Rathod
M.B.A (GTU)
SAL Institute of Management
Ahmedabad, Gujarat, (India)

Vipul Patadiya
M.B.A (GTU)
SAL Institute of Management
Ahmedabad, Gujarat, (India)

Abstract: *The purpose of conducting this research is to study customer preference and various services provided by private sector banks of Ahmedabad by evaluating their customer satisfaction. This research is mainly based on primary data which has been collected through a well-structured questionnaire. The questionnaire has been distributed to 400 different respondents on different chosen locations. This paper makes a useful contribution as there are very low number of studies has been conducted in Ahmedabad on such areas like technology, reliability, customer service, location and infrastructure. This research shows that customer satisfaction varies from person to person and, bank managers need to conduct more researches in order to evaluate customer satisfaction more strongly.*

Keywords: *Customer Services, Private Sector Banks, ATM etc.*

I. INTRODUCTION

The rapid economic developments of the latest years have resulted in high accumulation of wealth. Almost instantly and within the context of the new financial environment, the need emerged for professional management of this wealth. In order to meet this need, a series of specialized services is offered by banking institutions through private banking.

There has been substantial growth in private banking business over the last decade or so as commercial banks have targeted both the “mass-affluent” and more up market high net worth individuals. Private banking has been considered as the fastest growing banking sector, especially when compared to the returns available in Retail banking. Many bankers saw private banks as an engine of growth. The largest banks realized that meeting the needs of high net worth individuals produces handsome profits and does not carry any risks.

Today, a wide range of different banks and other financial institutions offer private banking services to high net worth individuals. Private banking services include portfolio management, investment advisory services, estate planning, trust services and tax advice.

II. REVIEW OF LITERATURE

The study by Syed Asad Akbar (1990) revealed the need for a more customer-oriented approach to bank marketing, and more emphasis on improved marketing strategies. Stressing the need for a 'Plan Oriented Marketing', suggestions were made that new product development should be done on an ongoing basis and schemes which have failed to take off should be reviewed and if necessary modified or dropped."

A study by Meidan (1976) revealed that about 90 percent of the respondents banked at the branch nearest to their home place or place of work. Convenience, in terms of location, was also found to be the single most important factor for selecting a branch."(Date: July-Sept, 1976 Source Volume: 4 Source Issue: 3

Saxena (1988) has in his study found that it was a mistaken belief that every other instrument of saving available in the market competes with bank deposits. As each saving instrument aims at satisfying one or the other motive for saving and is different in nature, instruments of one group are not likely to affect others. The study concludes that banks should adopt aggressive marketing strategies to identify new potential customers in order to maintain their share in the savings of the household sector.

Young (1999) utilizing perceptual mapping to assist in analyzing market structure and in developing strategies, tried to examine how consumers perceive alternative banks on important attributes. It was found that market structure analysis could assist the bank in identifying potential opportunities in differentiation and in assessing the viability of low cost as a competitive advantage.



III. OBJECTIVES OF THE STUDY

- ✓ To understand and analyzed the customer preference for select the private banks .In terms of location, facility, brand and various services provided by the banks in Ahmedabad city.
- ✓ To study the existing structure of private banks in Ahmedabad city.
- ✓ To analyzed the reasons of selection of private banks with respect to gender, occupation, age and income of the people in Ahmedabad city.
- ✓ To measure the impact of location, brand and various facilities which is provided by private banks.
- ✓ To know the various types of accounts open by customer with private banks in Ahmedabad city.
- ✓ To establish relationship amongst the location, brand, facilities and selection of private banks in Ahmedabad city.

IV. METHODOLOGY

Statement of problem

Customers are lifeblood for any business and banking industry is highly service oriented business. When there is service concern, it always deals with the perceptual decision taking of the customer. Here, in this report we tried to figure out the reason for the customer preference for choosing private bank in Ahmedabad city on the basis of facility, location, marketing strategy, brand name and services.

Research Design

In this research we have use descriptive research design which comes under formal research, where the objectives are clearly established. It is used in this study because it will ensure the minimization of bias and maximization of reliability of data collected.

Sample Size

We take a sample size is 400.

Sampling Method

We are using convenience sampling method.

Nature of Data

Primary data and secondary data is used for this study

SOURCES OF DATA: - Primary Data: questionnaire Secondary Data: Journals, Books.

Tools for the Analysis

SPSS software

For the purpose of the study a survey design was used. The region of study was Ahmedabad. We have collected opinions from students, service personnel, entrepreneurs, retired people, house wives and other professional personnel.

The target sample chosen for the study was 400 respondents. Structured Questionnaires were used to customer preference and various services provided by private bank. The collected data was analyzed with regression and ANOVA tests.

V. MEASURES

In this responses were scored on 5-point likert scale (1=strongly disagree, 2 = disagree, 3= neutral, 4= agree, 5= strongly disagree)

TABLES



Demographics Characteristic of Respondents

Demographic Factors	Classification	No. of Respondents	Percentage
Gender	Male	248	62.0
	Female	152	38.0
Marital status	Married	190	47.5
	Unmarried	210	52.5
Occupation	Government Service	56	14.0
	Private Service	128	32.0
	Housewife	52	13.0
	Professional/Consultant	26	6.5
	Own Business	86	21.5
	Other	52	13.0
Education	Under Graduate	94	23.5
	Graduate	132	33.0
	Post Graduate	134	33.5
	More than P.G	2	0.50
	Professional	20	5.00
	Illiterate	18	4.50
Age	20 to 30 yrs	242	60.5
	31 to 40 yrs	70	17.5
	41 to 50 yrs	64	16.0
	51 to 60 yrs	22	5.50
	60 above	2	0.50

Independent t-test

Independent t-test between Gender and location

Testing of hypothesis between various gender and location of private bank

H0 : There is no significance difference between male and female regarding location of bank

H1 : There is significance difference between male and female regarding location of bank

Independent Samples Test				
		Levene's Test for Equality of Variances		t-test for Equality of Means
		F	Sig.	t
Marketing strategy of bank	Equal variances assumed	0.372	0.542	-0.122
	Equal variances not assumed			-0.120

Interpretation

To understand the opinion of male and female about the customer preference towards private bank, we applied independent t-test. After analysis the significant value is 0.216. Hence H0 is accepted. It means that, there is no significant difference of opinion between male and female about about location of private bank.

Independent t-test between Gender and marketing strategy of bank

Testing of hypothesis between various gender and marketing strategy of bank

H0 : There is no significance difference between male and female regarding marketing strategy of bank

H1 : There is significance difference between male and female regarding marketing strategy of bank

		Levene's Test for Equality of Variances		t-test for Equality of Means
		F	Sig.	T
Location	Equal variances	1.536	0.216	0.642



	assumed			
	Equal variances not assumed			0.652

Interpretation

To understand the opinion of male and female about the preference for private bank, we applied independent t-test.

After analysis the significant value is 0.542. Hence H0 is accepted. It means that, there is no significant difference of opinion between male and female about private bank marketing strategy.

Independent t-test between Gender and brand name

Testing of hypothesis between various gender and brand name

H0 : There is no significance difference between male and female regarding brand name

H1 : There is significance difference in between male and female regarding brand name

Independent Samples Test				
		Levene's Test for Equality of Variances		t-test for Equality of Means
		F	Sig.	t
Brand name	Equal variances assumed	0.541	0.462	2.440
	Equal variances not assumed			2.425

Interpretation

To understand the opinion of male and female about the preference for private bank, we applied independent t-test.

After analysis the significant value is 0.462. Hence H0 is accepted. It means that, there is no significant difference of opinion between male and female about brand name of private bank.

Independent t-test between Gender and facilities of bank

Testing of hypothesis between various gender facilities of private bank

H0 : There is no significance difference between male and female regarding facilities provided by bank

H1 : There is significance difference between male and female regarding facilities provided by bank

Independent Samples Test				
		Levene's Test for Equality of Variances		t-test for Equality of Means
		F	Sig.	T
Reasons of bank selection	Equal variances assumed	2.163	0.142	2.465
	Equal variances not assumed			2.428

Interpretation

To understand the opinion of male and female about the preference for private bank, we applied independent t-test.

After analysis the significant value is 0.799. Hence H0 is accepted. It means that, there is no significant difference of opinion between male and female about facility provided by the private bank.

Independent t-test between Gender and reasons of bank selection

Testing of hypothesis between various gender and reasons for bank selection

H0 : There is no significance difference between male and female regarding selection of bank

H1 : There is significance difference between male and female regarding selection of bank

Independent Samples Test				
		Levene's Test for Equality of Variances		t-test for Equality of Means
		F	Sig.	t
Facilities of bank	Equal variances assumed	0.065	0.799	1.820
	Equal variances not assumed			1.832

Interpretation

To understand the opinion of male and female about the preference for private bank, we applied independent t-test.

After analysis the significant value is 0.142. Hence H0 is accepted. It means that, there is no significant difference of opinion between male and female about reason for selection of private bank.

One way Anova

Age – Marketing strategy of bank

H0:- There is no significant difference amongst various age groups with respect to Marketing Strategy of bank.

H1:- There is significant difference amongst various age groups with respect to Marketing Strategy of bank.

		Sum of Squares	df	Mean Square	F	Sig.
SUMMATED_MARKETING	Between Groups	94.533	4	23.633	2.777	.027
	Within Groups	3361.904	395	8.511		
	Total	3456.438	399			

Interpretation

To understand the difference amongst various age group and Marketing Strategy of bank we have applied one way ANOVA analysis.

The table value is 0.027 which is less than 0.005. It means H1 is accepted. Hence there is a significant difference amongst a group of 20-30 Years, 31-40 Years, 41-50 Years, 51-60 Years, Above 60 year.

Location – Occupation

H0:- There is no significant difference in occupation regarding location of bank.

H1:- There is significant difference in occupation regarding location of bank.

ANOVA						
		Sum of Squares	df	Mean Square	F	Sig.
SUMMATED_LOCATION	Between Groups	149.741	5	29.948	3.730	.003
	Within Groups	3163.849	394	8.030		
	Total	3313.590	399			

Interpretation:

To understand the difference amongst location of bank and respect to occupation. We have applied one way ANOVA analysis.

The table value is 0.003 which is less than 0.005. It means H1 is accepted. Hence there is a significant difference amongst different occupation like government services, private service, Housewife, Professional and Own business.

Brand name – Occupation

H0:- There is no significant difference amongst occupation with respect to brand name.

H1:- There is significant difference amongst occupation with respect to brand name.

ANOVA						
		Sum of Squares	df	Mean Square	F	Sig.
SUMMATED_BRAND	Between Groups	103.142	5	20.628	3.329	.006
	Within Groups	2441.498	394	6.197		
	Total	2544.640	399			

Interpretation:

To understand the difference amongst Brand name and respect to occupation. We have applied one way Anova analysis.

The table value is 0.006 which is greater than 0.005. It means H0 is accepted. Hence there is a no significant difference amongst different occupation like government services, private service, and Housewife, Professional and Own business.

Occupation – bank facilities

H0:- There is no significant difference amongst occupation with respect to bank facility.

H1:- There is significant difference amongst occupation with respect to bank facility.



ANOVA						
		Sum of Squares	df	Mean Square	F	Sig.
SUMMATED FACILITY	Between Groups	362.831	5	72.566	3.504	.004
	Within Groups	8158.919	394	20.708		
	Total	8521.750	399			

Interpretation:

To understand the difference amongst bank facility and respect to occupation. we have applied One way Anova analysis. The table value is 0.004 which is less than 0.005. It means H1 is accepted. Hence there is a significant difference amongst different occupation like government services, private service, and Housewife, Professional and Own business.

Bank service– Occupation

H0:- There is no significant difference amongst occupation with respect to service of bank.
 H1:- There is significant difference amongst occupation with respect to service of bank.

ANOVA						
		Sum of Squares	df	Mean Square	F	Sig.
SUMMATED SERVICES	Between Groups	964.048	5	192.810	7.487	.000
	Within Groups	10146.390	394	25.752		
	Total	11110.43	399			

Interpretation:-

To understand the difference amongst bank service and respect to occupation. we have applied One way Anova analysis. The table value is 0.000 which is less than 0.005. It means H1 is accepted. Hence there is a significant difference amongst different occupation like government services, private service, Housewife, Professional and Own business

Brand name– Monthly income

H0:- There is no significant difference amongst brand name with respect to monthly income.
 H1:- There is significant difference amongst brand name with respect to monthly income.

ANOVA						
		Sum of Squares	df	Mean Square	F	Sig.
SUMMATEDBRAN D	Between Groups	98.083	5	19.617	3.159	.008
	Within Groups	2446.557	394	6.210		
	Total	2544.640	399			

Interpretation:-

To understand the difference amongst brand name and respect to monthly income. We have applied one way Anova analysis. The table value is 0.008 which is greater than 0.005. It means H0 is accepted. Hence there is a no significant difference amongst different between income group below 20000, 20000 to 40000, 41000 to 60000, 61000 to 80000, and 81000 to 100000 and above 100000.

Facility – Monthly income

H0:- There is no significant difference amongst bank facility with respect to monthly income.
 H1:- There is significant difference amongst bank facility with respect to monthly income.

ANOVA						
		Sum of Squares	df	Mean Square	F	Sig.
SUMMATED FACILITY	Between Groups	560.986	5	112.197	5.553	.000
	Within Groups	7960.764	394	20.205		
	Total	8521.750	399			

Interpretation:-

To understand the difference amongst bank facility and respect to monthly income. We have applied one way Anova analysis. The table value is 0.000 which is less than 0.005. It means H1 is accepted. Hence there is a significant difference amongst different between income group are below 20000, 20000 to 40000, 41000 to 60000, 61000 to 80000, 81000 to 100000 and above 100000.

Brand name of bank – Year

H0:- There is no significant difference amongst bank brand name with respect to Year associated with bank.
 H1:- There is significant difference amongst bank brand name with respect to Year associated with bank.



ANOVA						
		Sum of Squares	df	Mean Square	F	Sig.
SUMMAT EDBRAN D	Between Groups	81.227	3	27.076	4.352	.005
	Within Groups	2463.413	396	6.221		
	Total	2544.640	399			

Interpretation:-

To understand the difference amongst brand name and respect to Year associated with bank. We have applied one way Anova analysis.

The table value is 0.005 which is less than 0.005. It means H1 is accepted. Hence there is a significant difference amongst associate year with bank are less than 1 year, 1 to 3 year, 3 to 5 year, and more than 5 year.

Bank location – Year

H0:- There is no significant difference amongst bank location with respect to Year associated with bank.

H1:- There is significant difference amongst bank location with respect to Year associated with bank.

ANOVA						
		Sum of Squares	df	Mean Square	F	Sig.
SUMMATE DLOCATI ON	Between Groups	76.988	3	25.663	3.140	.025
	Within Groups	3236.602	396	8.173		
	Total	3313.590	399			

Interpretation:-

To understand the difference amongst bank location and respect to Year associated with bank. We have applied one way Anova analysis.

The table value is 0.025 which is less than 0.005. It means H1 is accepted. Hence there is a significant difference amongst associate year with bank are less than 1 year, 1 to 3 year, 3 to 5 year, and more than 5 year.

REGRESSION

Model Summary			
Model	R	R Square	Sig. F Change
1	.588 ^a	.346	.000

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	3842.009	4	960.502	52.198	.000 ^b
	Residual	7268.428	395	18.401		
	Total	11110.438	399			

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	14.054	2		6.841088	3E-11
	SUMMATED_LOCATION	0.135	0	0.074	1.602233	0.109903
	SUMMATED_MARKETING	-0.050	0	-0.028	-0.6603	0.509447
	SUMMATED_BRAND	0.504	0	0.241	5.219466	2.91E-07
	SUMMATED_FACILITY	0.474	0	0.415	8.785318	4.81E-17

Interpretation:-

As we can see in the table significance value is zero. And r2 value is 34.6%. Hence we can say that there is 34.6% impact of facilities, Marketing, Location & brand on services of the bank & rest of the impact of other factor.



VI. CONCLUSION

Banks should take necessary steps to create awareness among people about the banking services available in the banks. Most of the customers have not availed of the internet banking services because they do not trust the internet channel presuming it as complicated. So banks may set up a team of personnel to train the customers to get acquainted with internet channel. It is argued that as banking services are in the nature of public good, it is essential that availability of banking and payment services to the entire population without discrimination is the prime objective of public policy.

The study shows that the awareness level on the supplementary services is restricted to only a certain extent, Private sector Banks must concentrate on the needs and demands of various segments depending on their requirements.

